

Increasing insurance protection in rural India through technology driven tools and partnerships

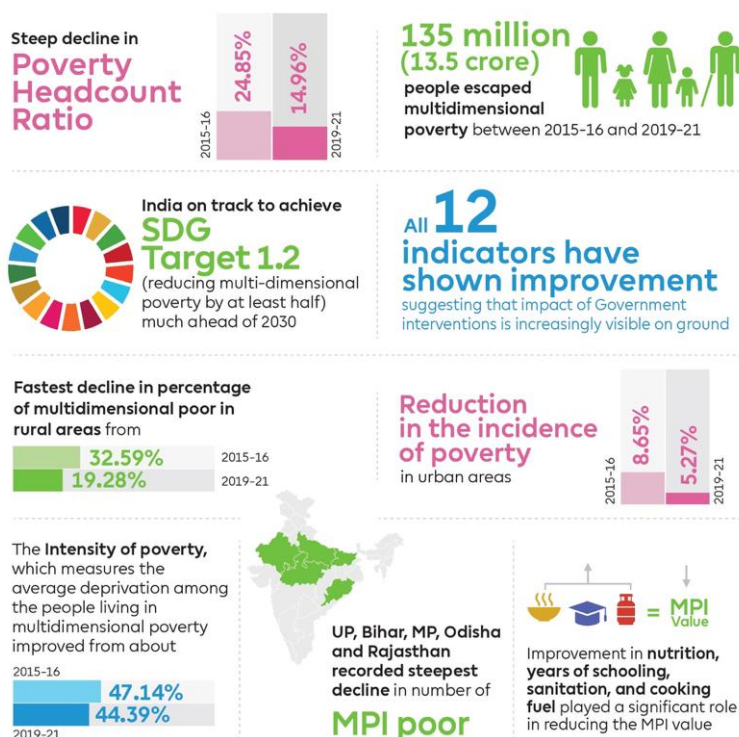
1. DEVELOPMENT RELEVANCE

Despite good GDP growth rates and improved poverty rates, insurance penetration in India is low compared to other developing markets. This is largely attributed to low levels of awareness, financial literacy, and education coupled with a lack of access to economically sustainable micro-insurance distribution channels. The project aimed to make an impact through the distribution of micro-insurance in India using a technology-led strategy that includes partnerships between insurers, insurtech and intermediaries to establish a long-term sustainable platform that can distribute low-cost, high-volume insurance into rural areas of India.

Population and Economic Indicators	
Population in millions (2024)	1,451
GDP growth (2024)	6.50%
Poverty Indicators	
GDP per capita (USD)(2024)	\$2,711
Rural Gini Index (2024) (0=equality 100=inequality)	23.7
National Poverty Rate (USD 3.00 per day)	5.25%
People Below Poverty Line (millions)	75.2
National Rural Poverty Headcount Rate	4.86%

Statista | Socio-economic Indicators Report India 2024

1.1 Economic and poverty context



National Multidimensional Poverty Index 2023

The schematic alongside is part of the The National Multidimensional Poverty Index: A Progress Review 2023, which measures progress as part of the Sustainable Development Goals that aims to reduce people living in poverty. The schematic summarises the improvements and key results achieved as part of the United Nations Development Programme for 2023.

Despite the improvements in reducing poverty, Indian insurance penetration remains low, standing at 2.1% for life and 1% for non-life (Source: Handbook on Indian Insurance Statistics 2023-24 World Bank). Micro-insurance as a new category of insurance is in the early stages of development which looks to target rural India and particularly low-income households thus driving financial protection in the event of loss.

Insurance products are sold and distributed via intermediaries certified by the Insurance Regulatory and Development Authority of India (IRDAI). However, these legacy operating models are built around high-premium, low-volume distribution models, which inherently exclude the mass market. Therefore, there is a pressing need for a different economic model based on low, affordable premiums and high-volume distribution tailored at the mass market. Yet, rural communities often lack access to such contextual, byte size insurance products. When combined with low levels of

financial literacy, this creates significant barriers to adoption and contributes to persistently low insurance penetration across the country.

1.2 Financial sector context

The micro-insurance sector has been identified as a growth sector in India to address the needs of the mass market. [IRDAI's Vision 2047](#) | Insurance for All, looks to drive this initiative. To enable the growth of the sector, IRDAI has created a series of initiatives (*IRDAI Bima Vahak Guidelines*) aimed at addressing the following priorities:

Access to Products & Services | New distribution partnerships provide access to multiple products and services using Point of Sales Persons (i.e. sale agents, digital platform devices) at Common Service Centres ("CSC"), across rural India to address and remedy low insurance penetration in the rural areas of India.

Micro Insurance Products | New regulatory frameworks allow new products to be developed to meet the needs of the mass market.

Compliance | To streamline distribution, IRDAI has introduced simplified certification processes for agents, known as Point of Sale Person ("POSP"), who are authorised to sell policies and assist in customer onboarding.

Geography and Targets | IRDAI obligates private insurers to target specified geographic regions and achieve specific sales targets for micro insurance products, ensuring targeted outreach and inclusion.

Economic Sustainability | Revised Expenses of Management ("EoM") regulations provide insurers with greater flexibility in managing operational costs related to micro-insurance, supporting the financial viability of mass-market models.

1.3 Financial sector partners

Briisk InsurTech | Briisk provides the technology and execution expertise to implement the business requirements for both insurers and distributors. Briisk Instant Transaction Platform ("BITP") links all the parties in the value chain into an end-to-end digital process that complies with IRDAI regulations.

Care Health Insurance | Care provides a Micro Personal Accident product and supported the Finbuddy Proof of Concept ("POC") to test the freemium insurance model. Users of the Finbuddy App earned rewards for watching ads and could convert these rewards/credits into insurance cover. At a later stage the user of the App would be directed to other health insurance products for online purchases.

Finkai Insurance Brokers | Finkai was responsible to market and distribute the Finbuddy App and Care Health products via college student networks and facilitated the InsurTech educational programmes at various colleges across India. The Kotak channel (described below) was added to the Finbuddy distribution channel to increase access to rural clients.

Added Partners

Kotak Life Insurance | Kotak provided the Micro Savings Sampoon Bima term life insurance product at INR200 single premium over 5 years (INR 3 per month) and activated distribution channels to reach the rural micro-insurance target market. Kotak joined the initiative to provide a diversification of products.

Saathealth | Saathealth provided their online health platform to reach millions across India. A project was launched to distribute Kotak's Sampoon Bima product through multiple digital

campaigns in Hindi and Kannada. The awareness campaign reached over 800,000 individuals and invited them to participate in a financial well-being survey, which included questions on income, financial management, and experiences with financial emergencies.

2. INTERVENTION APPROACH

The project initially started with Briisk (InsurTech), Finkai (Broker) & Care (Health Insurer), and over a period of time the consortium expanded to include additional strategic partners: Kotak (Life Insurer), and Saathealth (Online Health Platform).

These additional partners brought improved market penetration and financial inclusion for the rural markets whilst also diversifying digital distribution channels. Most notably, Briisk delivered the InsureTech solution and the integration of a seamless payment gateway to facilitate online policy purchases, further supporting accessibility and scale.



2.1 Capacity building needs

The SCBF/Swiss Re Foundation donor funding played a crucial role in providing both business and technical execution capacity required in the implementation of the solutions. Insurance companies focus most of their resources on their primary insurance business and this results in a lack of skills and expertise allocated to various micro-insurance initiatives. SCBF/Swiss Re Foundation donor funding fills this gap and also encourages the Partner Financial Institutions ("PFI") to allocate funds to support micro-insurance projects.

The SCBF/Swiss Re Foundation funding enabled experienced and skilled Insurtech resources to:

- Deliver a digital and insurance literacy skills programme to college students. Students were trained as Briisk Digital Officers (BDOs) for the distribution and promotion of insurance products.
- Work with Care and Kotak teams to digitise their insurance products and business processes to integrate into the various distribution channels and to link the ecosystem into an end-to-end platform for micro insurance.

2.2 Main activity areas and outputs

For the duration of the project (Oct 2021- Jul 2025) there were a number of activity areas and outputs that were developed and activated and these involved:

- InsurTech;
- Distribution;
- Products; and
- Financial inclusion, literacy and awareness.

2.2.1 InsurTech (Digital) solution

The InsurTech digital solution developed enabled all the value chain stakeholders (i.e. products, insurers, brokers and POSPs) to target rural customers so as to bring them into the insurance safety net once an insurance policy was sold. The solution provided various insurance products, rewards (freemium) models, and payment gateways to allow customers to seamlessly understand and to purchase policies or earn premiums via rewards.

2.2.2 Distribution

A target of 5,000 Business Development Officers (“BDO”) and 10,000 Point of Sale Persons (“POSP”) was set for the onboarding and training during the project. A further 1,000 MSMEs would be onboarded, which are unique companies that act as a Point of Sale. This “agent salesforce” above would promote and distribute the two insurance products via their channels.

Care Health | Students were onboarded to the Finbuddy App and could take up personal accident cover based on a freemium / rewards model. Users of Finbuddy would be required to watch free adverts on their mobile phones to earn rewards that could be converted into policy premiums. Students were encouraged to promote the App via various social media networks and face-to-face interactions. This created a database for future direct sales to users.

Kotak Term Life Savings | The product was promoted and distributed via the Common Service Centers (“CSC”) and 500,000 Point of Sale (POS) centers that reach customers across rural India. The CSC network included IRDAI certified and trained Point of Sale Persons (POSP) that assist rural customers to understand the product(s), facilitate digital onboarding and sell products where financial literacy is low.

2.2.3 Micro-insurance Products

Care Health Micro Personal Accident

The product was “sold” by using the Finbuddy App, where freemiums could be earned and later self-payments could be made to provide cover up to INR 100,000 of benefits.

Whilst the risk premium of INR 30 p.m. for INR100k cover is very competitive, the requirement of the user to watch a minimum of 350 advertisements per month to generate sufficient revenue/premium was an unknown factor. The freemium pricing model is based on ad revenue from platforms such as Facebook, Admob and Apploving that was integrated with the Finbuddy App.

Based on feedback generated from the BDOs in the market, it was decided that customers should be able to purchase their own policies without having to earn rewards. Thus, a self-payment solution was developed for the future to assist customers in this regard.

carē Personal Accident Cover	
Plan Details	
Particulars	Description
Cover Type	Individual
Relationship Type	Self
Entry Age - Min.	Adult : 18 years
Entry Age - Max.	Adult : 60 years
Exit Age	Adult : Life long
Pre-policy Medical Check-up	No
Policy Tenure	1 year
Claims Payout	Cashless
Premium & Cover Benefits	
Premium per month	₹30.00
Sum Assured	₹1,000,000
Accidental Death	₹1,000,000
PPD	₹2,000,000
PTD	₹2,000,000

Kotak Life Micro Savings Term Life

The Kotak product is a savings product with embedded life cover that was designed to be purchased in byte size amounts of INR 200 (effective INR 3.33 p.m.). The product is aimed at people aged between 18 - 55 and has a 5-year term until it matures including accumulated interest earned.

A customer pays an affordable one-off upfront premium but can also purchase multiple policies to increase their savings and life cover depending on affordability. The life cover is 25 times the amount of the savings over the term of the policy (i.e. INR200 = INR5,000 Life Cover).

The product's target market covers the largest portion of the youth in India and owing to its low-cost premium is attractive to the lowest income communities (rural). Due to the very low premium if viewed as a monthly premium contribution, an affordable single annual premium collection makes the product easy to buy, negates premium lapses and fits better with the rural market where income is seasonal and erratic.

Key Features

- Single Premium of ₹ 200
- Guaranteed payout on maturity and death
- No medical tests required

Eligibility parameters of the plan

Particulars	Description
Age at entry	Min: 18 years / Max: 55 years
Maximum maturity age	60 year
Policy Term (fixed)	5 years
Premium (fixed)	₹ 200
Premium Payment option	Single

Plan Benefits

Maturity Benefit:

Upon survival till the end of the policy term you will get the following amount depending on your entry age:

Entry Age Band	18 - 25 yrs	26 - 40 yrs	41 - 55 yrs
Maturity Benefit (₹)	310	300	275

2.2.4 Financial literacy and awareness

Care and Kotak worked via intermediaries such as Finkai and CSC who act as the front-line interface with rural communities. The insurers provide capacity to the intermediaries for marketing and training materials. Technical expert capacity from India, funded by the SCBF and Swiss Re Foundation, engaged and collaborated with insurers, brokers and CSC as part of the implementation of the InsurTech platform. It was through the execution of the project that skills and technical know-how was developed and transferred to all partners in the value chain.

Finkai | Finkai onboarded, trained and certified college students/BDOs in financial literacy as part of their tertiary education curriculum. The training programmes included all aspects of basic insurance, including financial literacy, sales training, marketing, product training, and various soft skills development. BDOs were onboarded onto the Finbuddy App as first-time insureds and included into the insurance safety net under the Care Health PA insurance. BDOs were required to promote the Finbuddy App and provide financial education activities into their communities. The target was set at 5,000 BDO's for the duration of the project.

Kotak | As per IRDAI regulations, Kotak trained the CSC partners (i.e. POSPs) on life insurance and product specifics to enable the selling of insurance. Once they completed their 15 hours of training, each POSP were onboarded onto the InsurTech platform with a target of 10,000 agents set and Briisk recorded over 10,000 agents.

Saathealth | Is a B2C HealthTech platform that reaches millions of people across India. Kotak requested to join their outreach programme to promote their Kotak product. By utilising Saathealth's platform, the project was able to provide awareness of insurance across a vast and extensive network across rural India.

3. RESULTS ACHIEVED AND NOT ACHIEVED

Most of the targets were exceeded during the project as shown in the various tables below.

3.1 Training and Certification

Selling insurance requires agents to be certified as Point of Sale Persons (POSP) in accordance with IRDAI regulations, and this requires a minimum of 15-hour training. For the initial part of the project, experts were able to train, certify and onboard 7,230 students as Briisk Digital Officers (BDOs) by Finkai. Once Kotak joined the initiative with their Micro Savings-Life Product, they utilised the CSC to onboard and train 16,094 sales persons (POSP) in accordance with IRDAI regulations. A further 2,000 small companies acting as Point of Sale (POS) were also onboarded and certified.

Agents Onboarding, Training & Certification		
Key Performance Indicators	Project Target	Result Achieved
BDO's	5,000	7,230
POSP's	10,000	16,094
MSME's (POS)	1,000	2,000

3.2 Financial Outreach

Outreach Financial Awareness and Literacy		
Key Performance Indicators	Project Target	Result Achieved
No. of Households	1,000,000	< 1,000,000

The financial literacy outreach target of 1 million was the one target that was difficult to measure and confirm until the

Saathealth B2C platform joined the outreach, thus allowing us to correctly measure the level of household / population exposure. Over 125,000 micro insurance policies were sold. Based on 1% penetration, it is estimated a minimum of +1million potential clients were presented with a financial product. If one includes the 800,000 households reached of Saathealth and the number of potential customers approached in the rural areas by the POSP's, it is assumed that the project comfortably exceeded the 1 million target.

3.3 Financial Inclusion and Policy Sales

The targets set for the project have been achieved with the addition of another micro-insurance product to boost sales performance; thus, the results and achievements were commendable. As per the table, the number of unique policy holders was set at 25,000 and we noted that we were not going to achieve the target with the Care PA product which was the original plan and as such the Kotak product was added, which performed very well and allowed the project to reach and exceed its targets.

Financial Inclusion Policy Sales		
Key Performance Indicators	Project Target	Result Achieved
No. of Policyholders	25,000	27,207
Care Personal Accident		1,450
Kotak Savings & Life		25,757
No. of Micro Policies	25,000	126,541
Care Personal Accident		1,522
Kotak Savings & Life		125,019

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3.4 Socio-demographic inclusion

Age Analytics | It was imperative that financial inclusion was aimed at people aged younger than 35 years (youth). The onboarding analytics confirmed that 37% of Kotak customers were younger than 35 years of age and 100% of Care which is a student policy. However over 35 year olds purchased 63% of Kotak policies.

Socio-Demographic Inclusion		
Age	18 - 35 years	36 - 60 years
Care Personal Accident	100%	0%
Kotak Savings & Life	37%	63%
Gender	Male	Female
Care Personal Accident	64%	36%
Kotak Savings & Life	37%	63%
Rural - Urban	Rural	Urban
Policyholders	25,757	1,450

Gender | From the BITP dashboards it shows that the age gender split is 63% in favour of females for Kotak and 36% for females for Care.

Rural Inclusion | For the Kotak policyholders 100% were classified as rural based on pin code location census data classification. For the Care product, the students were in urban areas (college) hence the classification but some may have resided in rural areas.

4. LESSONS LEARNT

4.1 Successes

The project looked to provide capacity to agents, technology and distribution to drive micro insurance inclusion in rural area using technology enablement. Micro insurance and mass market distribution requires a partnership model that includes technology platforms that can distribute high volumes of insurance profitably.

All stakeholders in the value chain were required to contribute to the value chain economics to ensure financial sustainability over time and the PFIs worked well and contributed effectively to tandem with the SCBF/Swiss Re Foundation grant. Based on the results achieved, we were able to prove that inclusion initiatives of micro-insurance products can be achieved.

4.2 Challenges and Constraints

Access to distribution channels that can sell low-cost, high-volume insurance profitability was challenging and only the CSC made it possible to reach targets. Measurable outreach via B2C channels is difficult if the distribution partners are not technologically enabled.

Micro-insurance and the role the InsurTech in the value chain is still not well understood at a financial level. This results in the following key constraints:

Micro Insurance Products | Insurers are in the early stage of micro insurance product development and rely on legacy product constructs that don't fit digital low-cost, high-volume operating models.

Distribution | Once a successful micro-insurance programme is implemented, the threat of disintermediation of the InsurTech becomes prevalent as stakeholders seek control over the value chain.

Value Chain Economics | InsurTech are required to operate across the value chain and due to legacy operating models and regulations cannot be remunerated sufficiently to build, operate and maintain the ecosystem.

4.3 Interventions and Recommendations

To overcome the challenges, Briisk (InsureTech) undertook the following actions:

Risk Diversification | To mitigate the risk of underperformance in any single product or distribution channel (as seen with the Care product), multiple microinsurance products and distribution channels were identified and deployed to enhance scalability and resilience.

Product Development | Worked with reinsurers and insurers to structure new digital micro insurance products suited to the target market (i.e. the introduction of Kotak product)

Contractual Framework | Entered into contracting terms with both Insurers (Product Suppliers) and Distributors (Brokers / Corporate Agents) to ensure sustainability. Meticulously engineered the value chain economics and the activities of each stakeholder in accordance with contracts.

Economic Revision | Negotiated revised economic terms to reflect shifts in stakeholder roles and responsibilities within the value chain. Products were designed with embedded value chain economics, ensuring fair compensation and clear accountability across all stakeholders.

Flexibility | The ecosystem was constructed with partners aligned to the agreed value chain dynamics. Flexibility was built into partner agreements to allow for the onboarding of new collaborators or adjustment of roles in cases of non-performance. For example, self-payment options were introduced for Care products, to support customer self-service.

Financial Modeling | By introducing new business case and financial model analysis for micro-insurance projects, insurers were able to make better determinations of the critical costs regarding customer acquisitions and sales conversion rates, thus quantifying the economic viability of micro-insurance InsurTech SaaS models. This allows the insurers to capitalise their projected future costs when introducing new products and distribution channel development.

4.4 Future scaling and sustainability

The distribution solution sold 126,541 micro-insurance products within the intervention period. Kotak Life has made a commitment to continue to use the InsurTech platform and is currently adding more products and channels to the platform. The NABARD Data shows an increase in rural India incomes than can lead to increased savings and take up of products such as the Kotak micro savings insurance product. Briisk is continuing to develop the partnership with Kotak to reach more customers and distribute more insurance products. Care Health has identified new contextual byte size products that are affordable and need InsurTech partners such as Briisk to reach rural India.

Briisk is developing additional channels to reach the rural market via various AgriTech partners who are targeting 20 million farmers via embedded climate risk crop insurance distributed via the CSC. This will leverage the existing InsurTech platform.

Briisk as orchestrator and creator of the ecosystems has seen a significant change in the micro insurance regulations in India and is raising further investment to continue making an impact on the 2047 IRDAI Vision and is able to offer a return on investment to potential insurers and partners.